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Information about the operation of FX conversion orders with a limit price

Hereby we wish to inform you about the operation and execution conditions of FX conversion orders (hereinafter 'Orders') with a limit price that can be submitted to K&H Bank's Markets Directorate, and provide you with additional information.

In the order the client identifies a target exchange rate, and if during the validity period of the order such rate reaches the exchange rate listed by the General Sales Unit of the Bank's Markets Directorate (hereinafter 'Treasury Rate'), the Bank will execute the conversion.

The order carrying a limit price may be submitted for a pre-set validity period or as a 'till execution/withdrawal' order. If such order does not get executed during the pre-set validity period, it will automatically expire on the last day of the validity period set (in the minute of the hour set by the Customer, but no later than at 23:59 hours on the last day of the validity period).

The minimum value identified in the Order

- in case of Private banking customers and those customers who have direct access to K&H Go&Deal application's LOMS (Order Manager for Orders carrying a limit price) module the minimum sum of 50 000 EUR or its equivalent in a currency listed by the Markets Directorate.
- in case of customers with a spot contract, treasury framework agreement or ISDA contract, who have no direct access to K&H Go&Deal application's LOMS (Order Manager for Orders carrying a limit price) module and whose orders are inserted in the application by the colleagues from the Markets Directorate the minimum sum of 100 000 EUR or its equivalent in a currency listed by the Markets Directorate.

Orders carrying a limit price may only be modified or cancelled by the Customer on banking days, during trading hours, as published on the Bank's website.

Orders that have been executed cannot be modified or deleted.

Any target exchange rate can be specified for orders with a limit price. One exception to this rule is the prevailing treasury rate or a rate close to it – 'hot order'.

Order services are available to the following types of customers:

- Private banking customers who discuss the details of the Order in question with Private Banking colleagues through a recorded line, on whose accounts the funds covering the Order (i.e. the value of the transaction) get blocked at the time of submitting the Order, and who also hold an account in the other currency to ensure the Order's financial execution.
- Customers with a spot contract, treasury framework agreement or ISDA contract, who either discuss the details of the Order in question with colleagues from the Markets Directorate via a recorded line, or have direct access to K&H Go&Deal application's LOMS (Order Manager for Orders carrying a limit price) module, and can give orders via this system.

Depending on market liquidity and volatility, Orders may be executed in partial sums or in a single lump sum.



Treasury exchange rates reflect the Bank's pricing strategy; they fit into the Bank's prevailing liquidity position and limit characteristics, as well as the Bank's customer pricing strategy, which may vary customer-by-customer. Accordingly, treasury rates may deviate from the exchange rates published for the purpose of general information and accessible via the various operators (Reuters, Bloomberg etc.), and also from the exchange rates listed by other market players at a given point in time. Accordingly, it may happen that our of two orders with a limit price, which share the same target rate and validity period, one gets executed and the other one doesn't, or they get executed at a different point in time within the validity period.

Due to the volatility of the FX market, the liquidity of the currency in question or other circumstances beyond the Bank's control it may happen that the Order does not get executed even if the target rate set by the Customer teaches the treasury rate. In such cases the Order with the limit price remains in force until the expiry date indicated by the Customer.

The Customer will receive written notification of the Order's execution either in writing or orally. The Customer must take care of the financial settlement of the transaction generated in the course of executing the Order; i.e. provide a sum equalling the value of the transaction on the value date agreed. Should the Customer fail to do so, they will be liable for any losses suffered by the Bank as a result of reversing the original transaction.

The fee chargeable for this service is stipulated in K&H Bank's prevailing Announcement on Investment Services and Securities Transactions.

Should you require further information concerning the topics discussed above, please, feel to turn to our colleagues in Private Banking or in the Markets Directorate.